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Livni's Outlook: Political and Policy Options in Israel

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In the wake of Foreign Minister Tzipi Livni's narrow Kadima party victory over Shaul Mofaz last week, Israeli prime minister Ehud Olmert resigned on Sunday night. The following day, Israeli president Shimon Peres asked Livni to form a new governing coalition, but if she is unable to do so in the next six weeks, Israel will head for new elections. Regardless of the coalition's makeup, prospects remain bleak in the short term for a breakthrough on either the Palestinian or Syrian track.

Political Options

If Livni successfully puts together a coalition, Israel would be the only known country where women head all branches of government. Dalia Itzik and Dorit Beinisch -- both women -- lead the Israeli parliament and supreme court respectively. Furthermore, a Livni coalition would mark the first time a woman has been an Israeli prime minister in the thirty-four years since Golda Meir.

Livni's best prospect for cobbling together the needed sixty-one parliamentarians would be to replicate the existing coalition comprising Kadima (twenty-nine), Labor (nineteen), Shas (twelve), and the Pensioners (seven). As Livni heads into negotiations, she has several advantages. In terms of character, Israelis view her as a counterpoint to Olmert, who is facing a swirl of corruption allegations. And since Mofaz's decision to take a "time out" from Israeli politics, opposition to her within Kadima seems to have quickly dissipated. Moreover, the parties comprising the current government seem to have little interest in challenging the political order because of the significant uncertainty in early elections.

Livni, however, faces formidable obstacles. Her first order of business is patching up her strained relationship with Ehud Barak, the head of the Labor party. Labor led Israel during the country's first three decades, and many of its members worry that helping Kadima consolidate power in a new government will harm the party's future electoral prospects. The Labor party insists that Kadima won in 2006 out of sympathy for Ariel Sharon, who had just suffered a debilitating stroke after leading a split from the Likud Party. Barak is confident that Kadima is an ephemeral political phenomenon, but if it proves to be viable going forward, it will compete with Labor for the same moderate voters.

Since it was Barak who demanded Olmert's resignation and the new Kadima primaries, it will be difficult for him to exploit the current situation by leaving the coalition. In the face of multiple security challenges, public opinion polls indicate that Israelis think Barak is better suited to be defense minister than prime minister, so he would not benefit from early elections. There are, however, those who argue that Barak would have a hard time being number two to Livni. As such, in what may have been a tactical move to show Livni that his support should not be taken for granted, Barak met with Likud rival Binyamin Netanyahu before meeting with her. Labor also wants to use its leverage on Livni to oust the current justice minister, who has vocally criticized Israel's supreme court for being too liberal and intrusive in Israeli society. On Monday, Livni announced that Barak would be a "full partner" in her government, but if Livni and Barak keep bickering, Netanyahu will benefit.

Livni's second political obstacle is the Shas Party. The party is made up of an ultra-orthodox leadership and traditional rank and file Mizrahi Israelis (Jews of Middle East origin). For much of the past two decades, Shas has held the balance of power in Israeli politics. Livni has an interest in Shas joining her coalition for reasons beyond securing a parliamentary majority. Voting in the Kadima primary broke down along ethnic lines, with Mizrahis largely supporting Mofaz. She wants to broaden her appeal beyond those with a secular, "north Tel Aviv" orientation. In order to get Shas's support, she will have to confront the party's two major demands: restoration of a child allowance formula structured to provide extensive welfare to ultra-orthodox Jews with large families, and the end of negotiations with Palestinians on Jerusalem.

Shas's leverage over Livni, however, has limits. First, if Netanyahu wins the next election, conventional wisdom suggests he will favor a broad-based coalition with Kadima and Labor to avoid repeating his troubled right-wing coalition of the late 1990s, a situation that would dilute Shas's influence. Second, Livni's personal appeal is predicated on her dedication to principle. Therefore, if she were to stand up to Shas's welfare demands -- something many Israelis perceive as unfair -- it may only burnish her credentials.

Foreign Policy Options

Regardless of Livni's coalition success, her foreign policy options are not good, at least in the short run. Differences between Israelis and Palestinians on issues of security, refugees, and Jerusalem existed before Olmert resigned, and are not likely to be resolved anytime soon.

For instance, Palestinian president Mahmoud Abbas says a peace agreement cannot be reached without sharing Jerusalem, which contradicts one of Shas's main demands. Moreover, Livni's opposition to letting even a single Palestinian refugee into the country seems to preclude some of the symbolic measures favored by Olmert. Given these difficulties, the result is either paralysis or a refocusing on a conceptual agreement on the disposition of West Bank, where the differences between the parties are relatively narrow, while deferring other issues for future negotiations. Even a conceptual agreement on territory could not be implemented without overcoming their substantial differences regarding an arrangement ensuring that rockets and other weaponry would not be smuggled into the West Bank -- as was the case in Gaza -- along with other counterterrorism measures. Moreover, this focused approach is at variance with the Palestinian "all or nothing" approach.

Another set of constraints on Livni is the lack of American support on two key issues. Given its animus towards Damascus, the Bush administration has no interest in assisting the indirect peace talks going on in Turkey between Israel and Syria. In addition, the Pentagon, led by Defense Secretary Robert Gates, is widely seen as opposed to any Israeli attack on Iran. Although some Israelis say there is still a window of opportunity for stepped-up sanctions on Iran, others are skeptical. Those Israelis who favor a military strike put a premium on the relationship Olmert cultivated with the White House, and some are dubious that Livni has the ability and time to replicate it.

It is possible that an unexpected crisis could test the mettle of Livni's leadership. She has had a meteoric rise in Israeli politics and is considered bright, centrist, and forthright. Yet in Israel's sixty-year history, security crises form the crucible for all Israeli leaders. What will be her crisis? What if advanced Russian anti-aircraft missiles are just about to be deployed around Iran's nuclear sites? What if Hamas breaks the ceasefire, fires Qassam rockets into southern Israel, and tries to lure the Israeli army into Gaza?

Conclusion

Coalitions in Israel are brittle. This would be especially true for Livni's, given that elections must be held by 2010 (many believe it will happen in 2009). If Livni successfully puts a coalition together, Kadima, Labor, and Shas should focus around a key, short-term priority. Too ambitious of an agenda may lead to meager results, and if there are no discernible achievements, Kadima and Labor both may suffer voter wrath in the next election.

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